

CS NO. 6336

KENYA HIGHLANDS SACCO SOCIETY LIMITED

REPORT OF THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2020

The Board Members hereby submit their annual report with the audited financial statements for the year ended 31 December 2020.

INCORPORATION

The society is incorporated in Kenya under the Co-operative Societies Act Cap 490 and licensed under the Sacco Societies Act No. 14 of 2008 and is domiciled in Kenya.

PRINCIPAL ACTIVITY

The Society's principal activity is to receive deposits from members and advance loans on interest.

RESULT

	2020 Kshs	2019 Kshs
Surplus for the period	<u>67,275,158</u>	<u>66,333,994</u>
Retained surplus for the period	<u>60,204,786</u>	<u>60,290,067</u>
Interest on members' deposit	<u>127,328,327</u>	<u>142,652,097</u>

INTEREST ON MEMBERS DEPOSITS AND DIVIDENDS ON SHARE CAPITAL

The Board of Directors do propose interest on members' deposits at rate of 10%(13%-2019) and dividend on share capital at 10%(10%-2019) on pro rata basis for the year ending 31 December 2020.

INDEPENDENT AUDITOR

The Sacco's auditors, Messrs Ronalds LLP, Certified Public Accountants (K) have completed their statutory three years in accordance with the provisions of the Kenya Co-operatives Societies Act 1997 (Amended 2004) and the Sacco Societies Act 2010 and are not eligible to continue in office.

BY ORDER OF THE BOARD OF DIRECTORS



SECRETARY

DATE 14/01/2021

CS NO. 6336
KENYA HIGHLANDS SACCO SOCIETY LIMITED
STATISTICAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
Number of members	Active	90,992	82,863
	Dormant	10,124	9,639
Total		<u>101,116</u>	<u>92,502</u>

	Kshs	Kshs
Core Capital	945,820,271	881,416,330
Share Capital	454,511,127	401,287,033
Institutional Capital	491,309,144	480,129,297
Members' Deposits	2,119,323,687	1,862,093,119
Reserves	491,309,144	416,670,383
Loans to Members	1,513,594,048	1,562,593,262
Total Assets	3,213,816,836	2,912,621,165
Total Liabilities	2,267,996,565	2,031,204,835
Total Revenue	439,237,049	447,766,850
Total Expenses	374,987,581	384,857,297
Investments	18,851,050	17,243,350
Employees of the Sacco	57	57

Key Ratios

STDs

Capital adequacy Ratio

Core Capital/Total Assets	>10%	29%	30%
Core Capital/Total deposits	>8%	45%	47%
Institutional Capital /Total Assets	>8%	15%	16%

Liquidity Ratio

Liquid Assets/Total deposits & Long term liabilities	>15	69%	58%
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Operating Efficiency/Loan Quality Ratios

Total Delinquency Loans/Gross loan portfolio	<5%	8.38%	5.60%
Total expenses/Average assets	<5%	11.67%	13.21%
Net loans/ total assets	70-80%	47.10%	50.64%
Saving/Total assets	70-80%	65.94%	63.93%
Interest rate on member's deposits		10.0%	13.0%
Dividend rate in share capital		10.0%	10.0%

CS NO. 6336

KENYA HIGHLANDS SACCO SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 Kshs	2019 Kshs
ASSETS			
Cash and cash equivalents	13	1,453,147,565	1,075,924,573
Inventory	14	1,522,231	1,778,300
Trade and other receivables	15	29,262,820	55,193,082
Investments	16	18,851,050	17,243,350
Property and equipment	17	195,142,691	196,035,980
Loans to members	18	1,513,594,048	1,562,593,262
Lease hold property	19	-	572,002
Intangible Assets	20	2,296,431	3,280,616
TOTAL ASSETS		<u>3,213,816,836</u>	<u>2,912,621,165</u>
LIABILITIES			
Members' savings and deposits	21	2,119,323,687	1,862,093,119
Trade and other payables	22	18,995,443	23,703,374
Interest on members deposits	23	127,328,327	142,652,097
Taxation	24	724,248	713,695
Deferred tax	25	1,624,860	2,042,550
TOTAL LIABILITIES		<u>2,267,996,565</u>	<u>2,031,204,835</u>
SHARE HOLDERS FUNDS			
Share capital	25	188,209,723	166,221,740
Building shares	26	266,301,404	235,065,323
Reserves	28	489,254,793	471,196,097
Revenue reserves(Page 10)		2,054,351	8,933,200
TOTAL SHAREHOLDERS FUNDS		<u>945,820,271</u>	<u>881,416,330</u>
TOTAL EQUITY AND LIABILITIES		<u>3,213,816,836</u>	<u>2,912,621,165</u>

The financial statements were approved and authorized for issue by the Board of Directors on 14/01/2021 and signed on its behalf by:


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CHAIRPERSON


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TREASURER


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COMMITTEE MEMBER

